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Comptroller General of the United States, Washington, D C

Prepared for

Corps of Engineers, Washington, D C

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REPORT TO THE CONGRESS

Environmental And Economic Problems Associated With The Development Of The Burns Waterway Harbor, Indiana B-168199

Corps of Engineers (Civil Functions)
Department of the Army

Environmental Protection Agency

National Park Service
Department of the Interior

BY THE COMPTROLLER GENERAL OF THE UNITED STATES

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-160199

To the President of the Senate and the
Speaker of the House of Representatives

This is our report on the environmental and economic problems associated with the development of Burns Waterway Harbor, Indiana. This review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

Copies of this report are being sent to the Director, Office of Management and Budget; the Secretaries of Defense, Army, Interior; and the Administrator of the Environmental Protection Agency.

Sincerely yours,

Elmer B. Staats
Comptroller General
of the United States

Contents

		Page
DIGEST		1
CHAPTER		
1	INTRODUCTION	4
2	NEED FOR AGGRESSIVE ACTION TO CONTROL AIR AND WATER POLLUTION IN THE AREA OF THE INDIANA DUNES NATIONAL LAKESHORE	6
	Indiana Air and Water Pollution Control Programs Limited by a Lack of Resources	7
	Inspection problems resulting from inadequate staffing	7
	Need for the State to improve the water quality monitoring system	9
	Need for Improved Legislation and Regulations for Controlling Pollution	10
	Air pollution	10
	Water pollution	12
	Need for More Affective Control of Air Pollution by Porter County	15
	Conclusion	17
	Recommendation	17
3	QUESTIONABLE ASSURANCES REGARDING ECONOMIC DEVELOPMENT OF BURNS WATERWAY HARBOR	20
	Recommendation to the Secretary of the Army	28
4	SCOPE OF REVIEW	29
APPENDIX		
I	Legislative History and Circumstances Surrounding the Authorization of the Burns Waterway Harbor	33
II	Map of Burns Waterway Harbor, Indiana	34
III	Map of Indiana Dunes National Lakeshore	35

APPENDIX		Page
IV	Letter dated May 21, 1971, from the Under Secretary of the Army to the General Accounting Office	36
V	Letter dated May 18, 1971, from the Office of the Secretary of the Interior to the General Accounting Office	38
VI	Letter dated July 21, 1971, from the Environmental Protection Agency to the General Accounting Office	39
VII	Principal Management Officials of the Department of Defense and the Department of the Army Responsible for Administration of the Activities Discussed in this Report	41

COMPTROLLER GENERAL'S REPORT TO THE CONGRESS

ENVIRONMENTAL AND ECONOMIC PROBLEMS ASSOCIATED WITH THE DEVELOPMENT OF THE BURNS WATERWAY HARBOR, INDIANA

Corps of Engineers (Civil Functions)
Department of the Army
Environmental Protection Agency
National Park Service
Department of the Interior B-160199

D I G E S T

WHY THE REVIEW WAS MADE

The Secretary of the Army is authorized by Public Law 89-298 to reimburse the State of Indiana for the construction of such parts of the Burns Waterway Harbor as are approved by and constructed under the supervision of the Chief of Engineers. The same law requires the State of Indiana to furnish assurances satisfactory to the Secretary of the Army that air and water pollution would be controlled to the maximum extent feasible in order to minimize any adverse effects on public recreational areas.

The Deputy Director, Bureau of the Budget, now the Office of Management and Budget (OMB), recommended authorization of the project subject to the condition that prior to the expenditure of funds for construction, local interests assured the Secretary of the Army that adequate transfer and terminal facilities would be constructed on a self-liquidating basis. The Secretary agreed and stated he would require binding assurances.

Because of expressions of public concern that air and water pollution from the Harbor would have adverse effects on the Indiana Dunes National Lakeshore recreational area, the General Accounting Office (GAO) made a review to determine if the Secretary of the Army had received the required assurances from the State.

FINDINGS AND CONCLUSIONS

Pollution from existing and future development in the Burns Waterway Harbor area, unless adequately controlled, will have a detrimental effect upon the Indiana Dunes National Lakeshore Park Area which is currently being developed in the general vicinity of the Harbor. Although the Harbor is not complete, it has contributed to industrial development in the area which will inevitably increase the problems of controlling pollution. (See p. 6.)

GAO evaluated the adequacy of the assurances provided by the State of Indiana to the Secretary of the Army, that air and water pollution sources would be controlled to the maximum extent feasible. Certain weaknesses were noted in the State's implementation of its air and water pollution control program which, in GAO's opinion, raise questions regarding the adequacy of the

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assurances provided. The weaknesses noted resulted primarily from a lack of adequate resources and a need to strengthen the State's laws and regulations.

Also, although control of water pollution is primarily a State responsibility, the Indiana Air Pollution Control Law allows and encourages local air quality control programs as an essential means for maintaining appropriate levels of air quality. However, Porter County, where both the Burns Waterway Harbor and the Indiana Dunes National Lakeshore recreation area are located, lacks both legislation and the organization needed to control air pollution. (See p. 6.)

GAO believes that the assurances obtained by the Corps from the State were not adequate to assure that the arrangements and schedules for providing public terminal and transfer facilities would support the traffic on which the Burns Waterway Harbor project benefits were based, and that such facilities would be financed on a self-liquidating basis. Of the planned 19 berths, only one had been completed at the time of GAO's review and only one tenant had located at the Harbor. Furthermore, the Port Commission had no firm commitments from additional prospective tenants who will be needed to provide the necessary traffic to make the project self-liquidating. (See p. 20.)

RECOMMENDATIONS OR SUGGESTIONS

The Secretary of the Army, the Secretary of the Interior, and the Administrator of the Environmental Protection Agency should coordinate their efforts to assure that the Indiana Dunes National Lakeshore and adjacent recreational areas will not be adversely affected by existing and future industrial development in the Harbor area. (See p. 17.)

The Secretary of the Army should require the Chief of Engineers to (1) reevaluate the adequacy of the assurances provided by the State and determine that adequate terminal and transfer facilities will be constructed on a self-liquidating basis and (2) take appropriate action to encourage future development of the Harbor. In the event it is decided that the type of assurances originally anticipated by the Secretary of the Army cannot be obtained, the Congress should be informed. (See p. 28.)

AGENCY ACTIONS AND UNRESOLVED ISSUES

The Departments of the Army and of the Interior, and the Environmental Protection Agency agreed to coordinate their efforts to assure that the Dunes recreational area will not be adversely affected by the industrial development. The Department of the Army also stated that it may find justification to require an "environmental proviso" as a condition for the final repayment to the State. (See p. 36.)

The Department of the Interior stated that air and water pollution from the Harbor is a definite threat to the conservation and enjoyment of the

Dunes. The Department stated that a further review of the air and water quality standards and enforcement should be undertaken now to determine and correct deficiencies. The Department stated that it is working with the Environmental Protection Agency's Water Quality Office in Chicago to develop a plan which can detect and identify pollution sources within the Dunes and particularly along its beaches. (See p. 38.)

The Environmental Protection Agency acknowledged the desirability of standards regulating future water pollution, but stated that the "plan approval process" adopted by the State imposes effluent restrictions and adequately serves the function of effluent standards. The Agency agreed that air quality was a problem but advised that the State had agreed to adopt comprehensive air quality standards and concentrate its limited manpower resources in the Harbor area. (See p. 39.)

The Department of the Army did not agree that the required assurances had not been obtained and stated that the assurances had been interpreted to mean the State's ability and intent to provide the landward facilities on a schedule that would meet the need for the developing traffic. A judgment was made by the Department that such ability and intent had been demonstrated. (See pp. 36 and 37.)

MATTERS FOR CONSIDERATION BY THE CONGRESS

This report informs the Congress of the environmental and economic problems resulting from the development of industrial facilities by one Federal agency in the general vicinity of national recreational facilities being developed by another Federal agency and the need for greater coordination among Federal agencies in the planning and implementation of Federal programs.

CHAPTER 1

INTRODUCTION

The River and Harbor Act of 1965 (Public Law 89-298) approved October 27, 1965, authorized the construction of the Burns Waterway Harbor in Indiana. The act authorized the Secretary of the Army to reimburse the State of Indiana for the funds used in financing the construction of such portions of the Harbor as approved by, and constructed under, the supervision of the Chief of Engineers, and estimated to cost about $25 million. As a result of changes in the design of the Harbor, the Federal obligation to reimburse the State was reduced to about $13.5 million.

The act required that the State of Indiana furnish assurances to the Secretary of the Army that water and air pollution from the Harbor will be controlled to the maximum extent feasible in order to minimize any adverse effects on public recreational areas in the general vicinity of the Harbor.

The Harbor is located on the shore of Lake Michigan (see app. II) about 18 miles east of the Illinois-Indiana State line. The Harbor is bordered on the west by the Midwest Steel Division (Midwest) of National Steel Corporation, and on the east by a Bethlehem Steel Corporation fully integrated steel mill.

The Indiana Port Commission has directed the development of the Harbor which was started in July 1966. The Federal Government is reimbursing the State for the cost of constructing the north breakwater and of dredging the inner harbor. As of August 1971, the State had been reimbursed approximately $12 million of the total estimated reimbursable costs of $13.5 million.

The Port Commission, with use of State funds, is to construct the inner bulkhead of the harbor and to provide land area improvements such as grading, roads, and utilities. Midwest constructed the west dockwall of the harbor and Bethlehem constructed the east dockwall of the harbor.

The Harbor was dedicated on July 17, 1970, and ships are being docked at the one berth that has been constructed. Midwest's rolling and finishing mill began operating in late 1960. Bethlehem expanded its steel finishing mill in late 1969 into a fully integrated steel mill capable of converting ore into steel by the construction of a basic oxygen furnace, a blast furnace, and a battery of 82 coke ovens and currently is constructing another blast furnace and a battery of 88 coke ovens which are planned to become operational in 1971.

Northern Indiana Public Service Company's (NIPSCO) Bailly Generating Station, located east of Bethlehem's mill, consists of two fossil fuel generating units. The Company's plans provide for the construction of a nuclear unit to be completed in 1976.

The National Park Service (NPS), Department of the Interior, is acquiring land on both sides of the Harbor area for development of the Indiana Dunes National Lakeshore (Dunes) park (see app. III) authorized by Public Law 761, approved November 5, 1966. Pursuant to this law, $27.9 million was appropriated for the acquisition of land. NPS current plans provide for a park area consisting of 8,274 acres including 5,390 acres of privately owned lands. As of January 15, 1971, of the 5,390 acres, 2,644 acres have been purchased at a cost of $20.8 million, 1,439 acres are pending acquisition by condemnation, 8 acres have been acquired by donation, and negotiations are in process for the acquisition of the remaining 1,299 acres.

NPS plans provide for the development of the Dunes Park at a cost of about $50 million, bringing the Government's total cost to about $78 million. NPS estimates that the Dunes Park will have a capacity to accommodate 88,000 visitors daily and that about 1.2 million visitors will recreate at the park annually.

CHAPTER 2

NEED FOR AGGRESSIVE ACTION TO CONTROL AIR AND WATER POLLUTION IN THE AREA OF THE INDIANA DUNES NATIONAL LAKESHORE

Pollution from existing and future development in the Burns Waterway Harbor area, unless adequately controlled, will have a detrimental effect upon the Indiana Dunes National Lakeshore Park Area which is currently being developed in the general vicinity of the Harbor. In this regard, the State of Indiana provided assurances to the Secretary of the Army that air and water pollution sources would be controlled to the maximum extent feasible in order to minimize any adverse effects on public recreational areas in the general vicinity of the Harbor. However, certain weaknesses in the State's air and water pollution control program and the State's implementation of the program raise questions regarding the adequacy of the assurances provided. The noted weaknesses resulted primarily from (1) a lack of adequate resources, and (2) a need to strengthen the air and water pollution control legislation and regulations.

Also, although control of water pollution is primarily a State responsibility, the Indiana Air Pollution Control Law allows and encourages localities to establish control programs for maintaining appropriate levels of air quality. However, Porter County, where both the Burns Waterway Harbor and the Indiana Dunes National Lakeshore recreation area are located, does not have adequate legislation to control air pollution. In addition, the County does not have the type of organization which would be needed to effectively administer an air quality control program.

In order to assure that the State would be able to control air and water pollution in the area of the Harbor, the Corps sought the advice of the National Air Pollution Control Administration (NAPCA), and the Federal Water Quality Administration (FWQA). Both of these agencies have been merged into the Environmental Protection Agency (EPA).

Both agencies informed the Corps that the State of Indiana had adequate legislation and enforcement means. Subsequently, however, EPA acknowledged weaknesses in the State's pollution control program.

INDIANA AIR AND WATER POLLUTION CONTROL PROGRAMS LIMITED BY A LACK OF RESOURCES

The State of Indiana has not provided the manpower nor the financial resources necessary to adequately control the sources of air and water pollution in the Harbor area. In the 1969 annual reports to the Governor of Indiana, the Indiana Air Pollution Control Board (APCB) and the Stream Pollution Control Board (SPCB) stated that financial resources and manpower are two deterrents to developing an effective air pollution control program for Indiana, and that sufficient personnel are not available to give adequate attention to the abatement of industrial waste water pollution in the State.

An EPA report in 1969 also cited the lack of State appropriated funds and the availability of qualified personnel as weaknesses in Indiana's air pollution program.

The Indiana Division of Air Pollution Control (DAPC), which is charged with implementation of the air pollution control program, at the time of our review had a staff of only ten employees including three Federal employees on loan to the Division. Although the DAPC requested 26 additional staff members at an estimated annual cost of about $500,000, the requested funds were not provided for in the State's fiscal year 1971 budget. Also, the Industrial Waste Section of the Division of Water Pollution Control (DWPC) had a staff of only six employees to carry out State-wide responsibilities for pollution control of 896 major industries requiring routine inspections of either waste water treatment or waste water control surveillance.

Inspection problems resulting from inadequate staffing

The APCB reported that in fiscal year 1970 the DAPC had made 480 field investigations concerning sources of air pollution. The DWPC also reported that 510 industrial inspections had been made concerning sources of water pollution.

We were advised by a State official that it was the policy of the State to inspect the larger industrial plants on a quarterly basis. We believe that the State's ability to meet this objective had been affected by the lack of adequate staff.

For example, we noted that during the period 1964 to 1970, the DWPC made only seven inspections at Bethlehem's plant. These inspections were directed to fluid discharges and covered problems such as turbidity in storm drains, oil problems, caustic discharges, and algae growth. During the same period, the DAPC made only two inspections of Bethlehem's plant. By letter dated October 17, 1969, DAPC advised Bethlehem of air pollution problems that were resulting in emissions from coke ovens, including smoke, dust, and gaseous and vaporous materials. DAPC instructed Bethlehem to install satisfactory equipment or to modify the existing equipment. Bethlehem was advised also that the plant would be reinspected.

We were informed by DAPC officials almost a year later that no follow-up inspection of Bethlehem's coke ovens had been made because the modifications undertaken were considered to be of a nature that could not be physically inspected.

We noted also that the DAPC had made only one inspection of air pollution controls at the NIPSCO Bailly Generating Station. The report on this inspection indicated that it was completed in January 1969, that it was of the nature of an introductory visit, and that no tests or calculation of emissions were made.

Since 1965, the DWPC had made four water pollution control inspections at the NIPSCO Bailly plant. None of these inspections disclosed any irregularities in the waste water treatment system. We noted, however, that two of the inspections were mainly concerned with the plant's septic system rather than with its industrial waste water system.

During our visit to the NIPSCO plant in September 1970 we also noted that an outfall pipe on the side of a road opposite the plant's waste water lagoon system was discharging discolored materials--apparently from the lagoon

system--into the neighboring Cowles Bog which is part of the Dunes Park area. An NPS official advised us that he had also noted the discharges into the Bog and stated that NPS plans to monitor the outfall and conduct tests to determine if the discharge from the outfall has had adverse environmental effects upon the Bog.

NIPSCO officials advised us that the pipe had been built as a temporary device in 1968 and that to their knowledge it has never been used. At the time of our second visit in November 1970, there was no discharge from the pipe.

Need for the State to improve the water quality monitoring system

The State's water quality monitoring system is not fully developed and currently is of limited value because water data is not collected frequently nor analyzed to show water quality trends.

The State has four water quality monitoring stations in the Harbor area and samples of water are generally taken every two weeks. We were advised by DWPC that the data cannot be used to determine trends in water quality because what may appear as an improvement may be merely the result of a higher flow in the waterway. We were advised also that the data is not computerized and that any attempt at analysis would be difficult. We were further advised that at the present time, the data could be adopted for use as a historical data base. When the system becomes computerized, this historical data can also be used in determining the type and number of daily samples needed.

With regard to compliance with water quality standards, we noted that in an appraisal of Indiana's fiscal year 1971 Water Pollution Control Program, EPA and the State indicated that the State did not have readily available information on compliance with established water quality standards. It was agreed, however, that prior to submission of the fiscal year 1972 Program Plan, the State would compile a tabulation of those waters that are in compliance with established water quality standards.

NEED FOR IMPROVED LEGISLATION AND REGULATIONS FOR CONTROLLING POLLUTION

Air pollution

The Indiana Air Pollution Control Law, enacted by the 1961 Legislature, became effective January 1, 1963. The first seven Air Pollution Control (APC) Regulations for implementation of the law were adopted by the Air Pollution Control Board on July 25, 1968, and became effective on December 6, 1968.

Regulation APC-8 contains the ambient air quality standards for particulates and sulfur dioxide. This regulation was approved by EPA subject to the development of an implementation plan designed to actually achieve the standards.

Other regulations proposed include (1) APC-12, which established levels of concentration of particulates and sulfur dioxide that constitute an episode (emergency condition), and (2) APC-13, which establishes the maximum allowable hourly ground level concentration of sulfur dioxide from all process and fuel burning installations.

Indiana does not have an approved implementation plan to achieve the air quality standards contained in APC-8. EPA made a preliminary evaluation of an Interim Implementation Plan in July 1970. The evaluation stated that the Indiana Law provided APCB with authority to (1) adopt and enforce air pollution control regulations, (2) hold public hearings, (3) assess fines and penalties, (4) take action during air pollution emergencies, and (5) conduct inspections of sources of air pollution. EPA stated, however, that the State's legal authority is not adequate to provide for (1) a permit system for new construction and operation, (2) source testing for emission quality, (3) declaration of episodes to prevent an emergency situation from developing, and (4) obtaining information from air pollution sources.

Need for a permit system in Indiana

EPA noted that one of the more serious weaknesses in Indiana's legislation was the lack of authority to provide a permit system for new construction. EPA's criteria defines a permit system as a function which:

"*** covers all the work involved in reviewing plans for potential new sources of air pollution; consultation with builder, owner and/or other interested parties to effect changes, where necessary; making inspections to insure that what is done conforms to the plans; and appearing before boards to substantiate findings. It is assumed that permits are issued to prevent pollution in a comprehensive manner, and that the system included an authority to construct and a permit to operate."

Although the Indiana law does not provide for either a permit system or the review of plans and specifications by the APCB, Regulation APC-1 requires any person planning to construct a new installation to submit a report and the plans and specifications for approval prior to the initiation of construction.

Regulation APC-1 allows the APCB to accept, in lieu of detailed plans and specifications, a certificate stating that proposed air pollution control equipment will operate in accordance with emission limitations specified by Indiana's regulations. This certificate has no practical effect in controlling air pollution from sulfur dioxide because proposed regulation APC-13 establishing emission limitations for sulfur dioxide has not been adopted by the State. We noted that the proposed regulation does not specify a timetable for compliance by industry with the emission limitations after such time as it is adopted.

Other than requiring the submission of plans, APC-1 does not provide for the usual requirements of a permit system such as inspection during the construction of new installations with a potential for new sources of air pollution or authority to inspect it after construction. We believe that the following example demonstrates inadequate controls over new sources of pollution.

In June 1967, Bethlehem submitted a report to the APCB outlining plans for the expansion of its finishing mill at the Harbor into a fully integrated steel mill. The plans provided for the construction of a group of 82 coke ovens, a blast furnace, and a basic oxygen furnace shop and other

supporting facilities. Since APC-1 was not effective until December 1968, Bethlehem was not required to submit for approval the detailed plans and specifications for the expansion.

In December 1969, Bethlehem submitted another report to the APCB outlining plans for additional construction of another group of 88 coke ovens, another blast furnace, and a vessel for the basic oxygen furnace shop.

The report stated that the planned facilities and systems would provide quality of plant effluents and control of air to standards that were equal or superior to those applying to the Phase II Step I approval in June 1967 of Bethlehem's initial expansion facilities or to all applicable existing code requirements.

The APCB accepted the above statement in lieu of the submission of plans and tentatively approved the report on January 21, 1970, subject to the condition that final plans and specifications be submitted for approval, thus allowing Bethlehem to proceed with construction.

Although the DAPC inspections in November 1969 of Bethlehem's coke ovens had disclosed specific problems that were resulting in emissions and no reinspections had been made to determine whether the problems had been corrected, the APCB, in January 1970, approved construction of a second group of 88 coke ovens.

We believe that the actions taken by the State, as discussed above, in approving new construction, illustrates the need for the Indiana Air Pollution Control Law to provide for a permit system as has been suggested by EPA. EPA's conclusion in reference to a permit system in Indiana states that such a system should be developed and should include a timetable as to when it will become fully operational.

Water pollution

The Indiana water pollution control law is similar to the Federal law in that degradation of the water quality must be shown. Because damages to or impairment of water uses must be shown, the law does not serve as a preventive

measure because effluent restrictions cannot be readily imposed except through the courts and as a result, enforcement action may be difficult.

The Indiana statutes provide that it will be unlawful for any corporation to discharge material that will contribute to a polluted condition of the water (becoming detrimental to the public health or impairing water uses). The State has the task of proving that an industry's discharge has resulted in a polluted condition. The law states

> "*** the court shall have jurisdiction to determine whether said order is reasonable or unreasonable and whether a polluted condition of any water or waters exists or is about to exist, and to affirm, modify, or wholly set aside such order, *** that the findings of said board as to whether a polluted condition of any water or waters exists or is about to exist is final only when so determined by such court." (Underscoring supplied)

With respect to approval of new construction, the Indiana statutes provide that all plans and specifications for abatement facilities shall be approved by the Stream Pollution Control Board.

Our review showed that preliminary and final construction plans for treatment facilities at Bethlehem and Midwest were reviewed and approved by the State. The State in its letters of approval set out certain requirements to be met and defined the necessary action to be taken in the event pollution problems occurred.

Furthermore, we noted that although the State generally does not establish the specific effluent restrictions, the industry submits its plans which include the limits on pollutants it feels will meet the established water quality standards for a stream. The State, on the basis of professional judgment, either approves or disapproves the plans.

The State specifies no limits as to the total pounds of any contaminant that an industry can deposit into a waterway. Increases in production normally result in increases in wastes generated. State officials advised us

that they monitor these increases by observing the increased flow reported from treatment facilities. We noted, however, that Bethlehem's 1967 operating reports indicated a flow of about 200 million gallons a day--about double the currently reported flow level which reflects the increased volumes from the expanded facilities. Bethlehem officials, however, advised us that the Corporation's earlier reported flow data was inaccurate and that flow data reported currently is correct.

An EPA evaluation of Indiana's water pollution control program dated August 1970 states that:

> "The State does not have effluent standards or a formal permit system. However, the State contends that it controls effluent discharges through it's plan approval system. Even though this approach appears to be generally satisfactory, it is felt that the State should develop effluent standards or a formal permit system which delineates the specific constituents of a waste and the permissive strength of each of these constituents.
>
> * * * * *
>
> "It is felt that the enforcement program for the State is adequate; however, the addition of effluent standards or a formal permit system would greatly enhance this segment of its program."

A program appraisal report by the State of Indiana in March 1971 indicated that there was proposed legislation which would require the establishment of effluent standards.

NEED FOR MORE EFFECTIVE CONTROL OF AIR POLLUTION BY PORTER COUNTY

The Indiana Air Pollution Control Law, as does the Federal Air Quality Act of 1967, allows and encourages localities to establish air quality control programs for maintaining appropriate levels of air quality. Section 8 of the Indiana Law allows towns, cities, and counties to enact and enforce local air pollution ordinances either consistent with or more restrictive than the State Law and to administer their own control programs. State officials advised us that local governments should play an important part in the State's air pollution control program. We believe that Porter County, where the Harbor is located, lacks the capability to assume this role because of a lack of an adequate ordinance for the establishment of an air pollution control program or an agency to conduct such a program.

On December 4, 1968, the Secretary of HEW, pursuant to the Air Quality Act of 1967, designated the boundaries of the Chicago Air Quality Control Region to encompass six counties in Northeast Illinois and two counties in Northwest Indiana--Lake and Porter.

Subsequent to the designation of the area of the Chicago Control Region, HEW issued air quality criteria and control technology documents for sulfur dioxide and particulate matter. Release of these documents in February 1969 marked the beginning of the 15-month timetable within which the State was required to submit air quality standards and implementation plans to HEW. Standards and plans for the Chicago Control Region were required by May 7, 1970.

Four air pollution control agencies in the Indiana portion of the Chicago Region--Lake County agency, and three local agencies (Gary, Hammond, and East Chicago)--have adopted air pollution control ordinances, the latest being effective on December 15, 1969. At the time of our field review, Porter County had not adopted an adequate air pollution control ordinance.

The State informed Porter County officials that the Porter County's Master Plan air pollution performance standards were not as restrictive as the State law, and recommended

that the County adopt a satisfactory comprehensive air pollution control ordinance as soon as possible.

We were informed by State and County officials that the proposed ordinance will be in agreement with the State's ambient air quality standards.

The Porter County air pollution control program consists of an air quality monitoring program initiated in 1966. The County owns and maintains the monitoring stations. Valparaiso University, under a contract with Porter County, analyses, compiles, and reports the monitored data on air pollution levels in an annual report submitted to the Porter County Board of Commissioners.

Porter County budgeted $17,000 in 1970 and $14,000 in 1971 for its air quality monitoring program. Of these amounts, $12,500 was for monitoring and the balance was for procurement and maintenance of the monitoring equipment. Porter County receives no State or Federal funds for operating its air quality monitoring programs. Two employees from the County Health Department perform limited administrative and managerial functions relating to air pollution control but no funds are officially budgeted nor have employees been officially designated to perform air pollution control functions.

Although Porter County officials have expressed the desire to conduct an air pollution control program, the County has not adopted an ordinance providing for the establishment of an air pollution control program or an agency to conduct such a program.

CONCLUSION

Information obtained from Bethlehem and NIPSCO indicated that they have taken steps and utilized significant resources in an attempt to control air and water pollution. We have made no overall effort to evaluate the effectiveness of the pollution control systems of these two companies. The purpose of our review was to determine whether the assurances provided by the State of Indiana to the Secretary of the Army were adequate to control pollution as required by the legislation authorizing the Harbor.

We believe that the State of Indiana's air and water pollution control program in the Harbor area is hampered by a lack of resources, and that the State's legislation and regulations need to be improved to assure adequate control of pollution in the area. We believe also that there is need for more aggressive coordinated action by the Federal agencies involved to assure that pollution in the area will not have an adverse effect on the Dunes and other public recreational areas in the vicinity of the Harbor.

RECOMMENDATION

We recommend that the Secretary of the Army, the Secretary of the Interior, and the Administrator of the Environmental Protection Agency coordinate their efforts to assure that the Dunes and adjacent recreational areas will not be adversely affected by existing and future industrial development in the Harbor area.

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In commenting on our draft report, the Under Secretary of the Army, in a letter dated May 21, 1971 (see appendix IV) noted that although responsibility for air and water pollution lies primarily with the State and other agencies involved, the Department of the Army would make every effort to comply with our recommendation for coordination among the Federal agencies. He stated that the Department of the Army may find a justification for an "environmental proviso" as a condition for the final payment of $1.5 million to the State of Indiana.

The Department of the Interior, in commenting on our draft report in a letter dated May 18, 1971, (see appendix V) acknowledged that air and water pollution from the Harbor was a definite threat to the conservation and enjoyment of the natural resources in the Dunes area. The Department stated that the lack of pollution control at the Harbor was apparent and that it indicates the need for a comprehensive effort that can preclude pollution and prevent additional environmental damage.

The Department stated also that a further review of air and water quality standards and enforcement should be undertaken to determine and correct these deficiencies and that it is presently working on this problem along with EPA. The Department said that it was encouraged by our report and looked forward to continued cooperation with the EPA and the Corps of Engineers in protecting the Dunes area.

EPA in its comments on our draft report dated June 21, 1971, (see appendix VI) emphasized that primary responsibility for water and air pollution control in the Harbor area rests with the State of Indiana, but admitted that Federal action may be necessary in this case. In response to questions raised on the number of personnel available to superintend Indiana's water pollution control program which includes responsibilities in the Harbor area, EPA stated that some assurances were given by the State that its limited manpower resources would be concentrated in the Harbor area. EPA agreed that, in coordination with the Corps, it would monitor and determine the adequacy of the State's actions in the area.

EPA acknowledged the desirability of standards regulating future water pollution, but stated that the "plan approval process" adopted by the State imposes effluent restrictions and adequately serves the function of effluent standards. EPA noted that air quality was a serious problem in the Harbor, area but pointed out that the Governor of Indiana had proposed standards and an implementation plan which, on first impression, appeared to be acceptable. EPA emphasized the need for maximum cooperation of all Federal agencies in protecting not only the Harbor area but the whole environment.

Other comments received from the State of Indiana, the Indiana Port Commission, and from Bethlehem Steel, were evaluated and appropriately considered in the body of our report.

CHAPTER 3

QUESTIONABLE ASSURANCES REGARDING ECONOMIC DEVELOPMENT OF BURNS WATERWAY HARBOR

We believe that the assurances obtained by the Corps from the State of Indiana were not adequate to assure that the arrangements and schedules for providing public terminal and transfer facilities would support the traffic on which the Burns Waterway Harbor project benefits were based and that such facilities would be financed on a self-liquidating basis.

At the time of our review, only one of the planned 19 berths had been completed and only one tenant was located at the Harbor. Furthermore, the Port Commission had no firm commitments from the additional prospective tenants that would be needed to provide the necessary traffic to make the project self-liquidating.

Prior to the legislation authorizing the development of the Harbor, OMB reviewed the Corps' estimated benefits and costs in determining the project's economic justification. The Deputy Director of OMB in a letter dated September 24, 1963, to the Secretary of the Army, which was included in House Document No. 160 (88th Cong., 1st sess.), recommended the authorization of the Harbor project subject to the requirement that before the Corps reimburses the State for the cost of constructing any facilities, the State furnish assurances satisfactory to the Secretary of the Army that:

> "Arrangements and schedules for providing public terminals and transfer facilities are adequate to support the traffic on which project benefits are based and such facilities will be financed on a self-liquidating basis."

The Deputy Director of OMB stated that OMB would regard the formal assurances given by the Governor of Indiana

as adequate for authorization purposes, but stipulated that firm assurances, pertaining to the financing of the construction of the transfer and terminal facilities on a self-liquidating basis, be obtained from the Indiana Port Commission prior to construction of the Harbor. The Deputy Director also recommended that the Chief of Engineers make a detailed study to evaluate the items used to support the economic justification of the project.

The Secretary of the Army, in a letter to the Speaker of the House of Representatives dated September 24, 1963, which was also included in House Document 160, concurred with the recommendation of the Deputy Director of OMB on the need for further detailed study to support clearly the economic justification of the project and stated:

> "*** the Secretary of the Army will require binding assurances, prior to the expenditure of funds for construction, that arrangements and schedules for providing these facilities are adequate to support the traffic as estimated in the further detailed studies of the economic justification of the project."

On March 5, 1968, the Port Commission met with the Corps' Chicago District officials to obtain advice and guidance regarding the assurances to be furnished. During this meeting, the Corps officials defined a fully acceptable form of assurance by private industry as resolutions of the respective boards of directors of the companies to be furnished through the Port Commission. Although this reference to private industry related primarily to the intentions of the steel companies at the Harbor to construct integrated mills, we believe that it was also considered as being applicable to those companies providing the traffic data on which the project benefits were based.

On May 9, 1968, the Port Commission provided the Corps with an assurance document. One of the assurances included in the document dealt with local cooperation and read as follows:

"To provide and maintain at local expense adequate public terminal and transfer facilities open to all on equal terms."

It should be noted that this statement did not fully comply with the 1963 requirements of the Deputy Director of OMB and the Secretary of the Army because it did not provide any assurance that the terminal and transfer facilities would be adequate to support the traffic on which project benefits were based. Also, it did not comply with the requirement by the Deputy Director of OMB, which was agreed to by the Secretary of the Army, that firm assurances obtained be more than a statement from the Governor.

In a letter dated August 15, 1968, the Chicago District Engineer and the North Central Division Engineer advised the Office of the Chief of Engineers that the Port Commission's assurance document "appears to constitute the binding assurance referred to by the Secretary of the Army."

The Office of the Chief of Engineers did not agree, and on September 5, 1968, directed the Chicago District to take the following additional step before submitting the Port Commission's request for reimbursement of the construction costs.

> "A written statement will be obtained from the Port Authority to the effect that its firm construction schedule provides for completion of terminal and transfer facilities adequate to handle traffic sufficient to justify the investment in the harbor. In particular, the statement should indicate that a coal transfer facility, capable of ultimately handling at least 10,000,000 tons per year, is provided for in the firm plans of the Authority."

In response to that directive, the Chicago District telephoned the Port Commission on May 8, 1969, and asked a Commission official whether a firm construction schedule provides for completion of terminal and transfer facilities--including a facility to handle 10 million tons of coal a year--adequate to handle traffic sufficient to justify the investment in the Harbor. The Commission official replied in the negative.

On June 18, 1969, after several meetings between the Corps' Chicago District and North Central Division, a decision was made that it would be impractical to comply with the requirements of the Office of the Chief of Engineers on the statement to be obtained from the Port Commission.

On August 8, 1969, the Port Commission, in a letter to the Chicago District, stated:

> "We have no firm construction schedule that provides for a coal transfer facility having an

ultimate capacity of ten (10) million tons of coal annually."

On August 11, 1969, the Chicago District prepared and forwarded to the Office of the Chief of Engineers an economic study which did not include any benefits attributable to coal shipments. The letter stated that the exclusion of the coal benefits from the study did not imply that the Port Commission no longer considered future transshipments of coal at the Harbor, but merely indicated that it has "no definite schedule at this time for the provision of coal handling facilities."

It should be noted that although the economic study did not include any benefits from the transshipment of coal, it did include benefits attributable to the transshipment of grain and general cargo. We found no evidence, however, that the Chicago District inquired into the firmness of the Port Commission's construction schedule for providing grain or general cargo handling facilities.

The District Engineer recommended to the Office of the Chief of Engineers that its requirement of September 5, 1968, for a written statement from the Port Commission be waived. The Office of the Chief of Engineers did not concur with this recommendation, however, and on December 19, 1969, directed the District Engineer by telephone to obtain additional information from the Port Commission.

On December 22, 1969, the Chicago District, by telephone, requested the Port Commission to furnish a letter providing (1) its present plans to develop Harbor facilities, (2) information on the types of commodities to be handled by the proposed Harbor facilities and the estimated annual tons of these commodities, and (3) information as to any firm commitments or anticipated commitments from prospective users of the Harbor.

The Port Director responded for the Commission in a letter dated January 2, 1970, and submitted a narrative summary of the progress of the Harbor construction. The summary stated that one tenant had signed a lease and that a leasing agent was actively engaged in discussions with several prospective tenants and port users. The summary

also cited nine specific companies as prospective tenants, and stated that the Port Commission estimated that these companies would generate a total of about 9 million tons of cargo by 1975.

We noted that of the nine companies mentioned in the summary, only one, accounting for 150,000 of the estimated nine million tons, had signed a lease with the Port Commission which would constitute the suitable binding assurances required. In addition to the nine million tons of cargo attributed to these companies, six million represented the transshipment of coal for which the Port Commission had previously stated it had no firm schedule for the construction of the necessary handling facilities.

The Port Director in his letter of January 2, 1970, stated that the Commission had established a master plan for the development of the Harbor and that no deviations from the plan had been made or were planned. The master plan provided for water-borne cargo handling facilities consisting of general cargo transit sheds, a public dry storage warehouse, a container and bulk storage area, a refrigerated warehouse, grain elevators, a coal transfer facility, a sugar refinery, and a bulk terminal for petroleum products.

The master plan showed an estimated cost of these facilities of about $38.6 million. The master plan did not, however, provide for the design and construction of these facilities until leases providing adequate revenue were executed with tenants for use of the facilities. Since only one of the nine prospective tenants had signed a lease with the Port Commission, the letter of January 2, 1970, cannot be considered as sufficient binding assurances that adequate terminal and transfer facilities will be provided to support the traffic on which project benefits were based.

The Corps' Chicago District prepared a final economic study dated January 19, 1970. The benefits claimed in the study were based on information contained in the Port Director's January 2, 1970, letter.

An official of the Department of the Army informed us that the documents used as the basis for the Army's determination that the "binding assurances" as stipulated in House Document 160 had been met were (1) the Port Commission's assurance document of May 8, 1968, (2) the Port Director's letter of January 2, 1970, and (3) the Chicago District's final economic study dated January 19, 1970. He also stated that it was his understanding that the Harbor was substantially developed and that the Port Commission had signed contracts with various tenants.

The Port Director informed us, however, that his letter of January 2, 1970, was never meant to provide the binding assurances "that the named industries would locate at the Harbor." He also said that the assurance document, executed by the Commission on May 8, 1968, only assured the Federal Government that the Port Commission would provide adequate public terminal and transfer facilities. As previously noted, the May 8, 1968, assurance document was rejected by the Office of the Chief of Engineers as not being responsive to either the requirement by the Deputy Director of OMB or the Secretary of the Army that assurances be "binding." Furthermore, the Chicago District's final economic study was based on the Port Director's letter of January 2, 1970, which was not considered to be adequate by the Office of the Chief of Engineers.

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The Under Secretary of the Army, in commenting on our draft report in a letter dated May 21, 1971 (see app. IV), advised us, with respect to the requirement that local interests provide adequate terminal and transfer facilities (binding assurances) at the Harbor, that the primary consideration was to assure that the State had the ability to finance the construction of these facilities on a schedule that would support the traffic estimated in the economic justifications for the project. He said that the reduction in the cost of the Harbor from the estimated cost of $25 million to a cost of about $14 million changed both the volume of traffic and type of shipments needed for the economic justification of the Harbor and of the schedule for the construction of the facilities required to handle such shipments. The Under Secretary stated that the Department had made a judgment that the State had demonstrated its ability and intent to provide the facilities on a schedule that would meet the need for the developing traffic and that the assurances provided by the State met the intent of the Secretary of the Army's requirements.

In our opinion, the Department's present views as to the adequacy of the assurances by the Indiana Port Commission that the transfer and terminal facilities will be provided on a self-liquidating basis is not consistent with the intent either of the Deputy Director of OMB or the Secretary of the Army as set forth in their letters as included in House Document No. 160 (88th Cong., 1st sess.). Furthermore, in view of the changes in the design of the Harbor and the reduction of the Federal obligation from the originally estimated cost of $25 million to about $13.5 million, we are of the view that the Corps should have made a further study to determine the changes in the type and volume of shipments necessary for the economic justification of the Harbor.

RECOMMENDATION TO THE SECRETARY OF THE ARMY

We recommend that the Chief of Engineers be required to (1) reevaluate the adequacy of the assurances provided by the State and determine whether adequate terminal and transfer facilities will be constructed on a self-liquidating basis and (2) take appropriate action to encourage further development of the harbor. In the event it is decided that the type of assurances originally anticipated by the Secretary of the Army cannot be obtained, the Congress should be so informed.

CHAPTER 4

SCOPE OF REVIEW

We reviewed pertinent legislation, regulations, policies, procedures, and practices related to construction of the Burns Waterway Harbor. We also held discussions with Federal, State, and private industry officials having management responsibility for development of the Harbor and surrounding areas.

Air and water pollution control inspection reports were reviewed. We also accompanied officials on pollution inspection tours of industries in the Harbor area.

The following agencies were included in our review:

Federal	Location
U.S. Army, Corps of Engineers	Washington, D.C.
Office of the Chief of Engineers	
District Engineer	Chicago, Illinois
Environmental Protection Agency	Chicago, Illinois
U.S. Department of the Interior	Washington, D.C.
National Park Service	Chesterton, Indiana
State	
Indiana Port Commission	Burns Waterway Harbor, Indiana
State Board of Health	Indianapolis, Indiana
Porter County Health Department	Valparaiso, Indiana
Private	
Bethlehem Steel Corporation	Chesterton, Indiana
Midwest Steel Division of National Steel Corporation	Portage, Indiana
Northern Indiana Public Service Company	Baileytown, Indiana

APPENDIXES

Legislative History and Circumstances Surrounding the Authorization of the Burns Waterway Harbor

1930 - Public Law 71-520 authorized the Corps to perform a study of the feasibility of constructing a harbor at the Burns Waterway site.

December 1931 - Corps submitted a report to Congress unfavorable toward Federal participation in the construction of a harbor at that site.

December 1944 - Another unfavorable report was submitted to the Congress.

October 1960 - The Corps submitted a report that favored the construction of a Harbor at the Burns Waterway site. This report differed from the previous reports because it recognized increased project benefits from the construction of one or more steel mills at the site. This report was returned for further study.

February 1961 - A bill was introduced in Congress to incorporate 5,000 acres including the proposed Burns Waterway site into a national park (Indiana Dunes National Lakeshore). The bill was not enacted into law.

July 1961 - A compromise bill was introduced to provide for both harbor and park facilities. The bill was not enacted into law.

November 1961 - In a letter to the Secretary of the Army, the Secretary of the Interior opposed the construction of a harbor at the Burns Waterway site because it would destroy the Indiana Dunes National Lakeshore.

January 1962 - The Chicago district submitted another report to the Secretary of the Army that favored Federal participation in construction of a harbor at the Burns Waterway site.

September 1962 - The Secretary of the Army submitted the report to the Congress.

October 27, 1965 - Public Law 89-298 authorized the construction of a harbor at the Burns Waterway site.

November 5, 1966 - Public Law 89-761 authorized the Indiana Dunes National Lakeshore (Dunes). Congress appropriated $27.9 million to acquire land for the Dunes.

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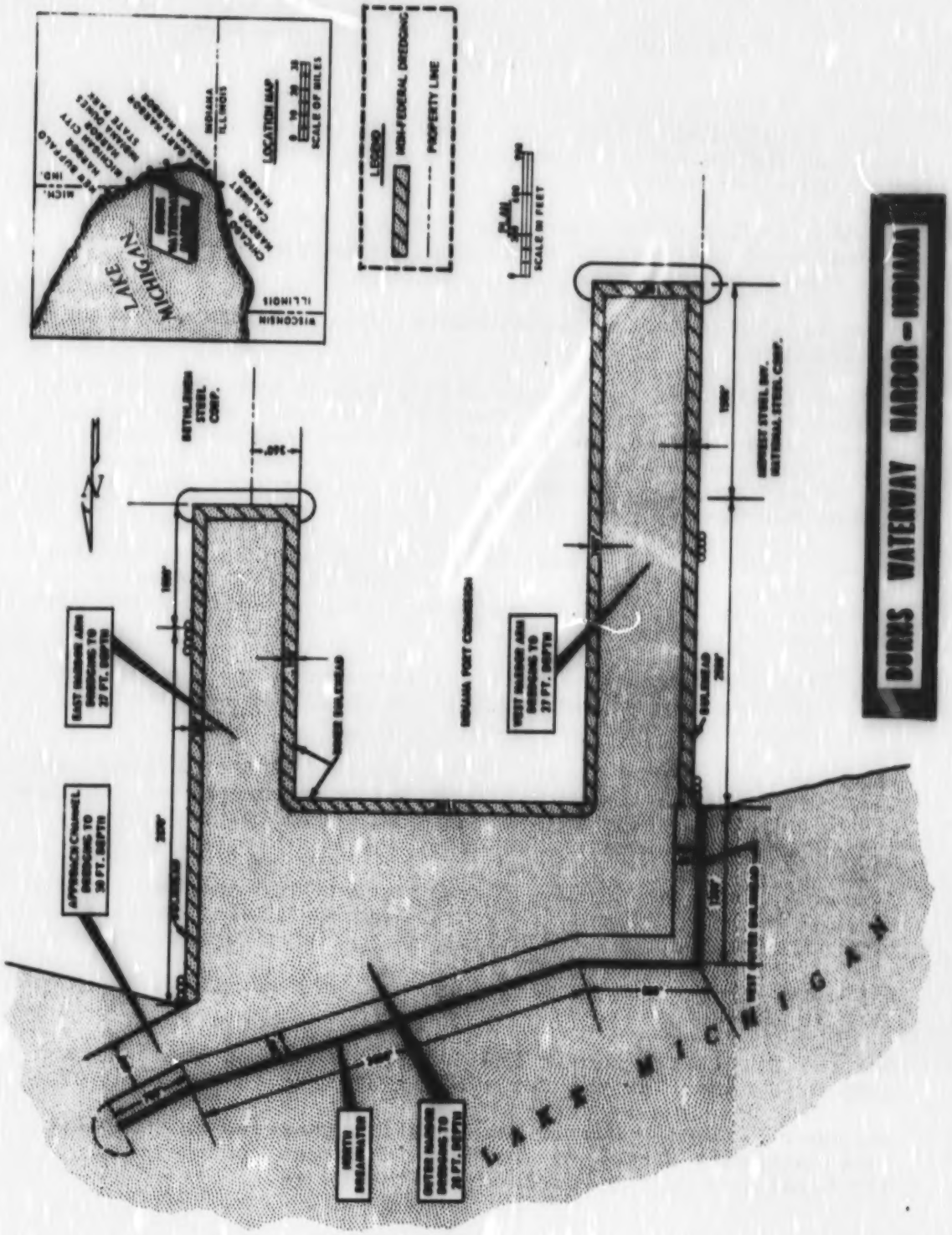
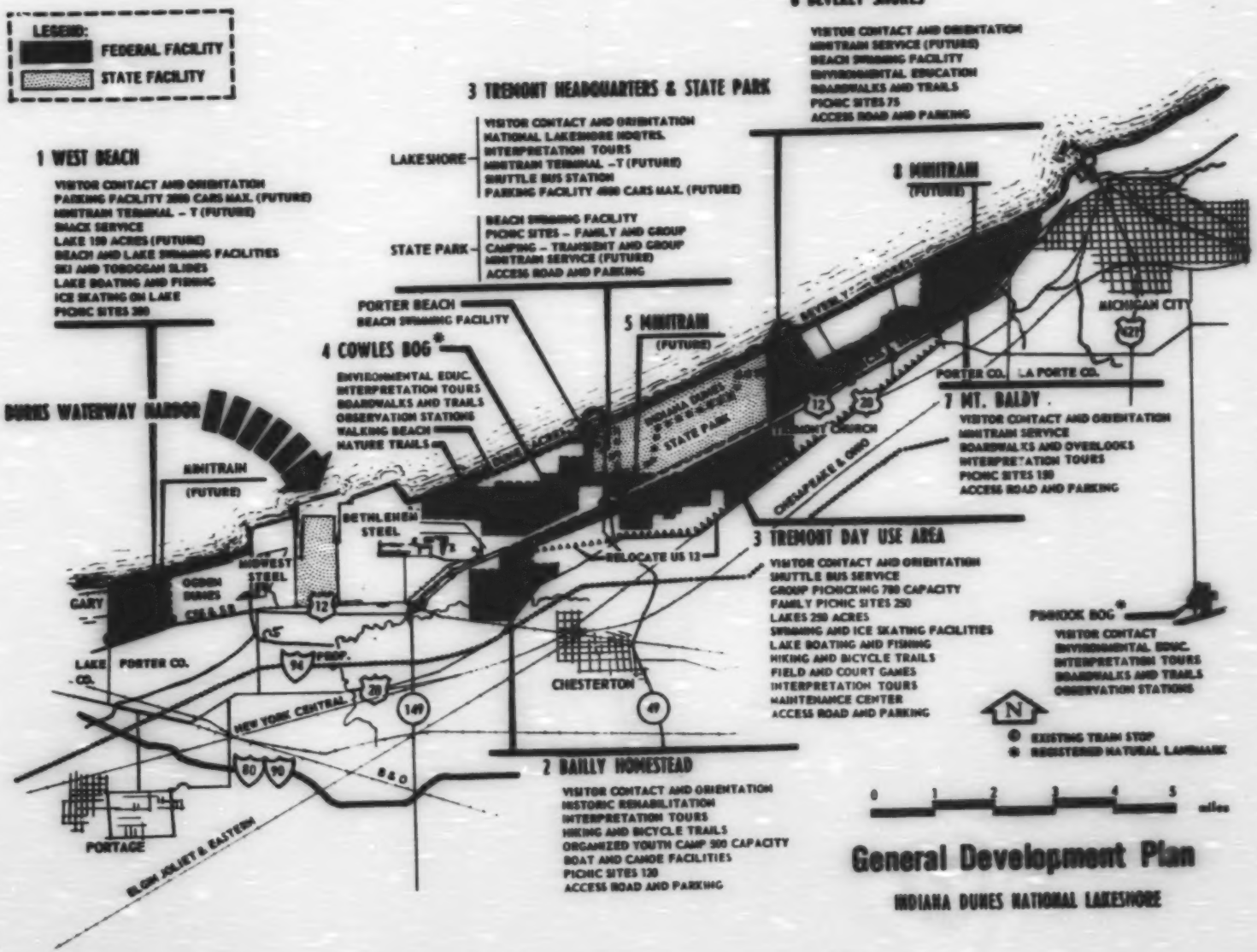
APPENDIX II


BURNS WATERWAY HARBOR - INDIANA
LAKE MICHIGAN
LOCATION MAP
LEGEND
NON-FEDERAL DREDGING
PROPERTY LINE
INDIANA PORT COMMISSION
BETHLEHEM STEEL CORP.
INLAND STEEL CO.
NATIONAL STEEL CORP.
EAST HARBOR ARM DREDGING TO 27 FT. DEPTH
WEST HARBOR ARM DREDGING TO 27 FT. DEPTH
APPROACH CHANNEL DREDGING TO 30 FT. DEPTH
OUTER HARBOR DREDGING TO 30 FT. DEPTH
BOOSTER BREAKWATER
LAKE MICHIGAN



General Development Plan

INDIANA DUNES NATIONAL LAKESHORE

APPENDIX III

APPENDIX IV

DEPARTMENT OF THE ARMY
WASHINGTON, D.C. 20310

Mr. C. M. Bailey
Director, Defense Division
United States General Accounting Office
Washington, D.C. 20548

21 MAY 1971

Dear Mr. Bailey:

The Secretary of Defense and Secretary of the Army have asked that I reply to your recent request for comments on the draft report prepared by your office entitled, "Economic and Environmental Problems Associated with the Development of the Burns Waterway Harbor, Indiana" dated March 1971.

Prior to authorizing reimbursement to the State of Indiana on 30 March 1970, a careful study was made of all aspects of the requirements established by the Congressional authorization of the Burns Waterway Harbor, and the recommendations of the Secretary of the Army, the Bureau of the Budget and the Chief of Engineers. With respect to the requirement that local interests would provide adequate terminal and transfer facilities, the primary consideration was to assure that the State had the ability to finance these on a schedule that would support the traffic to be estimated in further detailed studies of the economic justification of the project. This concern was based on a harbor estimated to cost $25,000,000 for construction by the Federal Government, and on the assumption of a long time interval before beginning construction. The term "binding" as used by the Secretary of the Army was interpreted to have the same meaning as the term "firm assurances" used by the Bureau of the Budget. That agency differentiated between "formal assurances" from the Governor of Indiana, which were considered adequate for authorization purposes, and "firm assurances" which required additional evidence prior to beginning construction by the Federal Government. The project was authorized by Public Law 89-298 with a provision that allowed the State to construct the harbor with reimbursement by the Secretary of the Army. The State of Indiana promptly began the work and was able to construct an adequate harbor at a cost of about $14,000,000. This reduction in cost changed the volume and type of shipments needed for economic justification of the project, and in addition changed the schedule for providing the facilities required for the new mix of commodities to be shipped through the harbor. Balancing all factors, a judgment was made that the State had demonstrated its ability and intent to provide the landward facilities on a schedule that would meet the need for the developing traffic, and that the assurances provided by the State met the intent of the Secretary of the Army's requirements.

Turning now to the recommendation that the Secretary of the Army, the Secretary of the Interior and the Administrator of the Environmental Protection Agency should coordinate efforts to assure that the Indiana Dunes Lakeshore will not be adversely affected by the industrial development, we shall make every effort to comply with this recommendation. Through its enforcement of the Refuse Act (33 USC407) the Army Corps of Engineers can control discharges or deposits into Lake Michigan which will aid in controlling water pollution. We note that the report credits the Corps with obtaining the expert advice of the National Air Pollution Control Administration and the Federal Water Quality Administration concerning their judgment that the State had the capability to control air and water pollution. Although primary responsibility for air and water pollution lies with the State and the other involved agencies as stated in your report, we may find a justification for an environmental proviso as a condition for final repayment to the State.

We appreciate the opportunity to review your draft report.

Sincerely,

Thaddeus R. Beal

Thaddeus R. Beal
Under Secretary of the Army

APPENDIX V

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

MAY 1 8 1971

Mr. Wilbur D. Campbell
Assistant Director, Civil Division
General Accounting Office
Washington, D.C. 20548

Dear Mr. Campbell:

The Department of the Interior has reviewed with interest the GAO draft report entitled, "Economic and Environmental Problems Associated with the Development of the Burns Waterway Harbor, Indiana, Corps of Engineers, Department of the Army; Environmental Protection Agency; and National Park Service, Department of the Interior."

Air and water pollution from the Burns Waterway Harbor is a definite threat to the conservation and enjoyment of the natural resources in the Indiana Dunes National Lakeshore. The lack of pollution control at the Harbor is apparent and indicates the need for a comprehensive effort that can preclude pollution and prevent additional environmental damage. A further review of the air and water quality standards and enforcement should be undertaken now to determine and correct deficiencies.

We are working with the Environmental Protection Agency's Water Quality Office in Chicago to develop a plan which can detect and identify pollution sources within the lakeshore and particularly along its beaches. This monitoring system could be used to detect pollutants and changes in water quality or of the biota and to confirm the effectiveness of the regulations. We are encouraged by the GAO's report and we look forward to the continued cooperation of the Corps of Engineers and the Environmental Protection Agency in protecting the resources of the Indiana Dunes National Lakeshore.

We appreciate the opportunity to review the report in draft.

Sincerely yours,

J. J. Vallé Jr.

Director of Survey and Review

ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

21 JUN 1971

Mr. Lloyd Smith
Associate Director
U.S. General Accounting Office
441 G. Street, N.W.
Room 6828, Civil Division
Washington, D. C. 20548

Dear Mr. Smith:

On March 15, 1971, you transmitted to us copies of a proposed report to the Congress on environmental problems associated with the development of the Burns Waterway Harbor, Indiana for the purposes of review and comment. It was specifically requested that we comment on the water quality and air pollution control matters contained in the draft report. In response to that request, we wish to offer the following comments for consideration in the preparation of the final report.

Your report recommends (1) that payment to the state for the project be withheld until arrangements are made for it to operate on a self-paying basis; and (2) the Secretaries of the Army, Interior, and the Administrator of EPA coordinate their efforts to insure that the Indiana National Lakeshore will not be adversely affected by existing and future industrial development in the Harbor area; and (3) there should be a more aggressive federal action to insure that the Dunes area will not be adversely affected by air and water pollution.

These conclusions and recommendations would, in effect, shift the primary responsibility for water and air pollution control in the Harbor area from the state to this agency. While the evidence in the draft report suggests that this may become necessary, the state should not be absolved of its commitments.

Both the Clean Air Act and Federal Water Pollution Control Act designate the states as the first line of defense against environmental degradation. Federal involvement supplements local efforts by rendering technical and other assistance. Where the states fail to fulfill their responsibilities, then Federal actions are authorized.

Public Law 89-298 builds on these principles and specifically provides that "The State of Indiana shall furnish assurance satisfactory to the Secretary of the Army that water and air pollution sources will be controlled to the maximum extent feasible in order to minimize any adverse effects on public recreational areas in the general vicinity of the Burns Waterway Harbor."

Your draft report raises serious questions about the numbers of available personnel to superintend Indiana's water pollution control program. Some assurances have been made that the state will concentrate its limited manpower resources in the Harbor area and fulfill its obligations. We will, in coordination with the Corps of Engineers, monitor the state's action to determine its adequacy.

The draft report suggests a need to prevent water pollution before it occurs and suggests the adoption of general standards for liquid water discharge. We agree that standards are a desirable prophylactic for regulating future pollution. However, it is our opinion that the Indiana "plan approval process" imposes effluent restrictions and adequately serves the function of effluent standards.

We agree that air quality is a serious problem. The Governor of Indiana, consistent with his duties under the Clean Air Act, has announced his intention to adopt ambient air quality standards and an implementation plan applicable to the area. The standards and plan are subject to the approval of the Administrator of EPA. These standards, on first impression, appear to be acceptable.

It is important to EPA that this project proceed on an environmentally sound basis and we are encouraged that GAO and other Government agencies have taken an interest in this effort. We hope you will continue to provide assistance. This is a significant project, and we feel maximum cooperation of all federal agencies will enhance prospects for fulfilling the national commitment to protecting the environment. We appreciate the opportunity to furnish comments to your draft report.

Sincerely yours,

Thomas E. Carroll
Assistant Administrator
for Planning and Management

APPENDIX VII

PRINCIPAL MANAGEMENT OFFICIALS OF THE DEPARTMENT OF DEFENSE AND THE DEPARTMENT OF THE ARMY RESPONSIBLE FOR ADMINISTRATION OF THE ACTIVITIES DISCUSSED IN THIS REPORT

	Tenure of office	
	From	To
DEPARTMENT OF DEFENSE		
SECRETARY OF DEFENSE:		
Melvin R. Laird	Jan. 1969	Present
Clark Clifford	Mar. 1968	Jan. 1969
Robert S. McNamara	Jan. 1961	Feb. 1968
Thomas S. Gates, Jr.	Dec. 1959	Jan. 1961
Neil McElroy	Oct. 1957	Dec. 1959
Charles E. Wilson	Jan. 1953	Oct. 1957
DEPARTMENT OF THE ARMY		
SECRETARY OF THE ARMY:		
Robert F. Froehlke	July 1971	Present
Stanley R. Resor	July 1965	June 1971
Stephen Ailes	Jan. 1964	July 1965
Cyrus R. Vance	July 1962	Jan. 1964
Elvis J. Stahr, Jr.	Jan. 1961	June 1962
Wilber M. Brucker	July 1955	Jan. 1961
CHIEF OF ENGINEERS:		
Lt. Gen. Frederick J. Clarke	Aug. 1969	Present
Lt. Gen. William F. Cassidy	July 1965	July 1969
Lt. Gen. Walter K. Wilson, Jr.	May 1961	June 1965
Lt. Gen. Emerson C. Itschner	Oct. 1956	Mar. 1961
Lt. Gen. Samuel D. Sturgis	Mar. 1953	Sept. 1956

U.S. GAO, Wash., D.C.